

## Judiciary Committee Testimony

My name is Daniel Rys. I support proposed bill HB 6988 AN ACT CONCERNING TERMINATION AND DISSOLUTION OF A MASTER ASSOCIATION.

However, in addition to support of this bill I am proposing an amendment to Subsection 47-261e (e) of CIOA to change the voting process for the approval of pledging common fees for a loan to the same process used for approving budgets.

When Subsection 47-261e (e) of CIOA was enacted the legislature was wise enough to understand that if unit owners do not vote on the budget that a budget may not pass and the association would not be able to properly function. As part of Subsection 47-261e (e) of CIOA the process for approving the pledging of common fees for a loan an association must obtain approval from a majority of the entire voting power in the community. A majority of associations need loans to maintain or repair their community. While initially I supported this process, in reality it has caused serious problems for all associations who are trying to make needed replacements and repairs. If a majority of votes are not secured then the association must:

Send a new notice of a meeting which may take up to two weeks.

Secure a facility for the meeting which may not be readily available and may cost a fee.

Arrange for an attorney to attend the meeting which may take time to schedule and will also cost the community.

This puts a pressure on association boards who are volunteers. This forces some to become frustrated and quit.

In the meantime the price of material may go up or the contractor may longer be available.

These delays could cost the association several thousand dollars.

And if the association still fails to get enough votes at the next meeting then the process must start over again causing further delays and again increasing costs.

In some instances this can take up to 6 months or longer and still the association many not get needed votes. Imagine not being able to maintain your home because some unit owners who do not care or do not vote.

This can be simply remedied by changing the process for the approval of pledging the common fees to be the same process as approving the budget. This will positively affect one fourth of the housing in your district.

As a loan officer with Windsor Federal Savings I have worked with all types of community associations for the past 12 years.

Thank you for your time.